



## DEFENSE FINANCE AND ACCOUNTING SERVICE

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DFAS-HQ/FMM

MEMORANDUM FOR DIRECTOR DEFENSE FINANCE AND ACCOUNTING SERVICE  
- CLEVELAND CENTER  
DIRECTOR DEFENSE FINANCE AND ACCOUNTING SERVICE  
- DENVER CENTER  
DIRECTOR DEFENSE FINANCE AND ACCOUNTING SERVICE  
- INDIANAPOLIS CENTER  
DIRECTOR DEFENSE FINANCE AND ACCOUNTING SERVICE  
- KANSAS CITY CENTER

SUBJECT: Change to the Department of Defense Financial  
Management Regulation (DoDFMR), Volume 7 Part A, on  
Special Pay for Nuclear-Qualified Officers  
(DFAS Item F-57)

Attached is DFAS Interim Change Number 43-96 to the DoDFMR,  
Volume 7, Part A. The change is effective August 10, 1996.

The purpose of this change is to incorporate effective  
eligibility dates modified by Public Law 104-106, dated February  
10, 1996 and to revise bonus rates modified by Change 1 to  
SECNAVINST 7220.65H dated August 10, 1996. Additionally,  
comparison of the current version of chapter 12 with SECNAVINST  
72230.65H, which was completely revised December 3, 1995,  
revealed significant differences and omissions which resulted in  
a nearly full rewrite of the chapter.

We have evaluated your comments on the draft change to the  
DoDFMR, Volume 7A. The attached final version of the change  
includes your comments where appropriate. Assignment of an  
interim change number is your authority to start a procedural  
modification to facilitate this change. For the Denver Center,  
use the attached to initiate the formal printed change to the  
DoDFMR and the interim change.

Our point of contact, Mr. Gary McGee, may be contacted at  
DSN 332-5280 or Commercial (703) 602-5280. Our Fax number is  
DSN 332-5271 or Commercial (703) 602-5271.

*for Gloria A. Harris*  
Roger W. Searce  
Brigadier General, USA  
Deputy Director for Finance

Attachment:  
As stated

cc: DASD (MPP) Comp  
ODGC (F)  
DFAS-DE/DG  
Service Liaisons  
USCG/NOAA/PHS Liaisons  
DJMS Project Office

**SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS**

*NOTE: The paragraph numbers listed first are applicable to the July 1996 version of the DoDFMR Volume 7, those applicable to the version dated December 1994 follow and are set off in [brackets].*

1. Replace the heading for Section 1201 [A] with the following:

**"NUCLEAR POWER ACCESSION BONUS PROGRAM"**

2. Replace the entirety of paragraph 120101 [11201] with the following:

**"Entitlement.**

A. Individuals accepted, before 1 October 1997, for officer naval nuclear power training for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants may be entitled to accession bonuses not to exceed a total of \$8,000.

B. The Secretary of the Navy is assigned, under law, responsibility for issuing regulations which prescribe specific eligibility requirements and, annually, the value of the bonus payments, not to exceed the limit cited above. The amounts payable to an individual under this entitlement become fixed upon acceptance, by the Secretary of the Navy, of the individual's written agreement to participate in the training program. The regulation governing this program, including effective bonus rates, is SECNAVINST 7220.65 series.

C. The bonus is made of two parts, which the Secretary of the Navy has identified as follows:

1. Nuclear Officer Accession Bonus. The Nuclear Officer Accession Bonus is payable upon selection and acceptance, by the Secretary of the Navy, of the individual's written agreement for participation in officer naval nuclear power training.

2. Nuclear Career Accession Bonus. The Nuclear Career Accession Bonus is payable upon successful completion, as a commissioned officer, of training for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants."

3. Replace the entirety of paragraph 120102 [11202] with the following:

**"Eligibility Requirements.**

A. Nuclear Officer Accession Bonus. The following requirements must be met to qualify for the Nuclear Officer Accession Bonus:

1. if the individual is already a commissioned officer, they must not be restricted in performance of duty; that is, they must be an officer of the unrestricted line,
  2. the individual must be selected and execute a written agreement to participate in officer naval nuclear power training, and
  3. the Secretary of the Navy must accept the individual into the training program.
- B. Nuclear Career Accession Bonus. An officer must meet the following requirements to qualify for the Nuclear Career Accession Bonus:
1. fulfill the above requirements for the Nuclear Officer Accession Bonus,
  2. be on active duty and entitled to basic pay, and
  3. successfully complete the nuclear propulsion training program."
4. Replace the entirety of paragraph 120103 [11203] with the following:

**"Payment**

- A. Upon acceptance of a request for admission into the program, the Chief of Naval Personnel will provide the individual with official written notification of acceptance. The date of acceptance will fix the value of both the Nuclear Officer Accession Bonus and the Nuclear Career Accession Bonus. Change 1 to SECNAVINST 7220.65H established the Nuclear Officer Accession Bonus at \$6,000 and the Nuclear Career Accession Bonus at \$2,000, both effective 12 August 1996.
- B. Nuclear Officer Accession Bonus. A properly executed acceptance document will establish authority to make payment of the Nuclear Officer Accession Bonus.
- C. Nuclear Career Accession Bonus. The commanding officer, Nuclear Power Training Unit (NPTU) shall certify the eligibility of each officer upon successful completion of the training program which will establish authority to make payment of the Nuclear Career Accession Bonus."
5. Replace the entirety of paragraph 120104 [11204] with the following:

**"Recoupment**

- A. An individual who has received a Nuclear Officer Accession Bonus and fails to commence or satisfactorily complete the nuclear power training specified in the agreement with the Secretary of the Navy, will, except for the reasons listed in SECNAVINST 7220.65 series, be required to refund the entire bonus.

B. Reduce the amount to be recouped by an amount equal to any reduction taken under subparagraphs 350702F [40462f] or 350802D [40472d]."

6. Replace the entirety of paragraph 120201 [11211] with the following:

**"Entitlement**

A. Nuclear qualified officers with applications for extension on active duty accepted, prior to 30 September 1997, may be entitled to a bonus not to exceed a total of \$12,000 for each year of the active service agreement.

B. The Secretary of the Navy is assigned, under law, responsibility for issuing regulations which prescribe specific eligibility requirements and, annually, the value of the bonus payments, not to exceed the limit cited above. The amounts payable to an individual under this entitlement become fixed upon acceptance, by the Secretary of the Navy, of the individual's written agreement to extend on active duty. Acceptance may not be made more than one year in advance of the end of an officer's initial existing period of obligated active service. The regulation governing this program, including effective bonus rates, is SECNAVINST 7220.65 series."

7. Replace the entirety of paragraph 120202 [11212] with the following:

**"Eligibility Requirements.**

A. The following requirements must be met to qualify for Continuation Pay. The individual must:

1. be an officer on active duty, receiving basic pay and not restricted in the performance of duty (i.e., unrestricted line officer),

2. be currently qualified for duty in connection with supervision, operation, and maintenance of naval nuclear propulsion plants,

3. have not completed 23 years of commissioned service at the time of application,

4. be serving in paygrade O-6 or below (not frocked to O-7) and, at the time of application, not be selected for promotion to paygrade O-7,

5. have executed a written agreement to remain on active duty in connection with supervision, operation, and maintenance of naval nuclear propulsion plants for a period of 3, 4, or 5 years, and

6. have the agreement accepted by the Chief of Naval Personnel on behalf of the Secretary of the Navy.

B. A qualified officer may execute successive continuation agreements so long as any new period of

obligated active service does not extend beyond the end of 26 years of commissioned service."

8. Delete paragraph 120203 [11213].

9. Renumber paragraph 120204 [11214] to 120203 [11213] and revise as follows:

a. Change the heading to **"Payment"**

b. Insert a new subparagraph 120203A [11213a] to read, "Upon acceptance of a request for extension, the Chief of Naval Personnel will provide the individual with official written notification of acceptance. The date of acceptance will fix the value of the annual payments for the entire period of the extension. Change 1 to SECNAVINST 7220.65H established Nuclear Officer Continuation Bonus at \$12,000 per contract year effective 12 August 1996."

c. Renumber the current subparagraph 120204A [11214a] to 120203B [11213b].

d. Renumber the current subparagraph 120204B [11214b] to 120203C [11213c].

e. Insert a new subparagraph 120203D [11213d] to read, "Should the amount that is paid to officers who subsequently apply for continuation pay be increased, officers with a contract in effect at a lower rate may execute a new agreement at the higher rate. The period of this new agreement shall be equal to or exceed the original period of the officer's existing agreement, but may in no case extend the obligation beyond 26 years of commissioned service. Upon execution of a new contract, the previous contract shall be canceled effective on the day before the anniversary date after the date on which continuation pay is increased."

10. Renumber paragraph 120205 [11215] to 120204 [11214] and revise as follows:

a. Change the heading to **"Recoupment"**.

b. In the first line of the body of the text, insert the phrase "fails to maintain eligibility requirements for or" between "An officer who" and "does not...".

b. Delete the last sentence from the body of the existing text.

c. Make the body of the existing paragraph, subparagraph "120204A [11214a]".

d. Insert a new subparagraph 120204B [11214b] to read;  
"Reduce the amount to be recouped by an amount equal to any  
reduction taken under subparagraphs 350702F [40462f] or  
350802D [40472d]".

11. Replace the entirety of paragraph 120301 [11221] with the  
following:

**"Entitlement**

A. Nuclear qualified unrestricted line officers  
serving on active duty on the last day of the fiscal year,  
prior to 1 October 1997, may be entitled to an annual bonus  
not to exceed \$10,000. Nuclear qualified limited duty and  
warrant officers serving on active duty on the last day of  
the fiscal year, prior to 1 October 1997, may be entitled to  
an annual bonus not to exceed \$4,500. Officers, otherwise  
eligible, but not on active duty on the last day of a  
nuclear service year (fiscal year) or who are not eligible  
for a portion of the year, may be paid a bonus on a pro rata  
basis.

B. The Secretary of the Navy is assigned, under law,  
responsibility for issuing regulations which prescribe  
specific eligibility requirements and, the value of the  
annual bonus payments, not to exceed the limits cited above.  
The regulation governing this program, including effective  
bonus rates, is SECNAVINST 7220.65 series."

12. Replace the entirety of paragraph 120302 [11222] with the  
following:

**"Eligibility Requirements.**

A. The following general requirements must be met to  
qualify for the Nuclear Career Annual Incentive Bonus. The  
individual must:

1. be an officer on active duty, receiving basic  
pay,
2. have current technical qualifications for duty  
in connection with supervision, operation, and maintenance  
of naval nuclear propulsion plants,
3. be serving in paygrade W-2 through W-4 or O-1  
through O-6,
4. not be serving in a period of obligated  
service incurred as a result of the acceptance of Nuclear  
Officer Continuation Bonus (this does not preclude pro rata  
payments),
5. not be also entitled to receive aviation  
career incentive pay, except in the case of officers serving  
billets that require the officer to:

a. be technically qualified for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants; and

b. be qualified for the performance of operational flying duties.

B. Additional requirements for eligibility are as follows:

1. Unrestricted line officers must also have completed their period of initial obligated active service incurred from initial source training as extended for nuclear power training.

2. Chief warrant officers and limited duty officers must be serving in an assignment with duties involving the direct supervision, operation, or maintenance of naval nuclear propulsion plants."

13. Replace the entirety of paragraph 120303 [11223] with the following:

**"Payment**

A. The Nuclear Career Annual Incentive Bonus will be paid annually on 30 September to all eligible officers on active duty. Change 1 to SECNAVINST 7220.65H established the Nuclear Career Annual Incentive Bonus at \$10,000 for unrestricted line officers and \$4,500 for chief warrant and limited duty officers, both rates effective for bonus accruing after 30 September 1996.

B. An officer eligible on 30 September or last working day of the fiscal year, but who had a period or periods of ineligibility during the fiscal year, shall be paid a pro rata share of the bonus for all periods of eligibility during the year.

C. An officer separated from the naval service or who has lost technical qualification for duty involving the supervision, operation, and maintenance of naval nuclear propulsion plants prior to 30 September, shall be paid a pro rata share of the bonus for all periods of eligibility during the year provided the separation or loss of technical qualification was not the result of:

1. voluntary separation or voluntary loss of technical qualification,
2. voluntary request for relief,
3. refusal to accept orders to assignment in connection with supervision, operation, and maintenance of naval nuclear propulsion plants,
4. disability resulting from or during misconduct, willful neglect, or unauthorized absence,
5. misconduct, or
6. detachment for Cause.

D. An officer promoted to paygrade O-7, or selected for and assuming the paygrade of O-7 (frocked) prior to 30



September shall be paid a pro rata share of the bonus for all periods of eligibility during the year.

14. Delete paragraphs 120304 [11224], 120401 [11231], 120402 [11232], 120403 [11233], and 120404 [11234].

15. Revise the Bibliography under Part One, Chapter 12, as follows:

a. Change the title of Section 1201 [A] to "Nuclear Power Accession Bonus Program", reference paragraphs "120201-120204 [11201-11204]", and cite "37 U.S.C. 312b" and "Public Law 104-106, Section 613(f), 10 Feb 1996".

b. Under Section 1202 [B], change the reference to "120201-120204 [11211-11214]" and cite "37 U.S.C. 312" and "Public Law 104-106, Section 613(e), 10 Feb 1996".

c. Under Section 1203 [C], change the reference to "120301-120303 [11221-11223]" and cite "37 U.S.C. 312c" and "Public Law 104-106, Section 613(g), 10 Feb 1996".

d. Delete Section 1204 [D], its references and citations.

16. Revise the Table of Contents as follows:

a. Under Part One, Chapter 12, Section 1201 [A], change title to "Nuclear Power Accession Bonus Program".

b. Delete reference to Section 1204 [D], under Part One, Chapter 12.

17. Pending further review and change to Part Four, Chapter 35 [4], make the following changes:

a. In subparagraph 350702F [40462f] items 3, 4, and 5; delete references to specific section numbers (i.e., "section 1201" and "section 1203") leaving only the reference to part one, chapter 12 for each of the items.

a. In subparagraph 350802D [40472d] items 3, 4, and 5; delete references to specific section numbers (i.e., "section 1201", "section 1203" and "section 1204") leaving only the reference to part one, chapter 12 for each of the items.